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February 28, 2008

VIA EXPRESS MAIL

Ms. Elizabeth O'Donnell, Executive Director
Kentucky Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602-0615

RE: In the Matter of:
AN INVESTIGATION OF THE ENERGY AND REGULATORY ISSUES IN SECTION
50 OF KENTUCKY'S 2007 ENERGY ACT, CASE NO. 2007-00477

Dear Ms. O'Donnell:

Enclosed for filing in the above-captioned case an original and ten (10) copies of the Testimony of Marlon Cummings on behalf of the Association of Community Ministries ("ACM") and People Organized and Working for Energy Reform ("POWER")

Please confirm your receipt of this filing by placing the stamp of your office with the date received on the enclosed additional copy of each Motion and return it to me in the enclosed self addressed stamped envelope.

Thank you for your assistance in this matter. Please contact me if you need further information.

Sincerely,

Lisa Kilkelly
Attorney for POWER and ACM

Cc: parties of record

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FEB 29 2008

PUBLIC SERVICE
COMMISSION



Metro United Way

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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FEB 29 2008

In the Matter of:

PUBLIC SERVICE
COMMISSION

AN INVESTIGATION OF THE)
ENERGY AND REGULATORY) ADMINISTRATIVE
ISSUES IN SECTION 50 OF) CASE NO. 2007-00477
KENTUCKY'S 2007 ENERGY ACT)

TESTIMONY OF
MARLON CUMMINGS

ASSOCIATION OF COMMUNITY MINISTRIES

ON BEHALF OF
ASSOCIATION OF COMMUNITY MINISTRIES
AND
PEOPLE ORGANIZED AND WORKING FOR ENERGY REFORM

Filed: February 29, 2008

1 **Q. Please state your name, title and address.**

2 **A.** My name is Marlon Cummings and I am Treasurer of the Board of Directors of the
3 Association of Community Ministries (“ACM”). I have been appointed by the Board to
4 represent ACM in all low-income utility issues. My business address is P.O. Box 99545,
5 Louisville, Kentucky 40269.

6

7 **Q. Please describe ACM.**

8 **A.** ACM is a Kentucky 501(c)(3) nonprofit corporation and its membership is comprised
9 of 15 independent community ministries that provide services to the Louisville Metro
10 area. The common mission for all 15 members is to provide an emergency assistance
11 network in partnership with the Louisville Metro Government, local congregations, and
12 other businesses and organizations. Each Ministry serves a specific geographical area to
13 ensure that all of Louisville Metro is covered under the umbrella of the ACM. Among
14 the social services provided by ACM members are utility assistance programs.

15

16 **Q. Describe ACM’s activities regarding utility issues.**

17 **A.** Our member agencies provide utility assistance to low-income persons year round.
18 Our agencies help clients negotiate payment plans with the utility companies when they
19 fall behind, and help them avoid utility disconnections. The agencies obtain funding from
20 donations and local governments grants. These agencies also distribute Community
21 Winterhelp funds from January through April each year.

1 ACM utility assistance providers routinely refer customers to the federal LIHEAP
2 program when it is in operation. ACM is one of the joint applicants for the current
3 Louisville Gas & Electric Company Home Energy Assistance Program.

4

5 **Q. Describe your employment and educational background.**

6 **A.** Currently and for the past ten years I have been Executive Director of Jeffersontown
7 Area Ministries, which is one of the member agencies of ACM and which provides
8 emergency utility and rental assistance and a variety of other social services to residents
9 in the Jeffersontown area. I have been on the Board of Directors of ACM since 1994. I
10 served the Jeffersontown Christian Church (Disciples of Christ), from 1985 until 1996, as
11 the Family and Youth Minister. I have a Bachelor of Arts in Business from Bellarmine
12 University and received my Minister's license from the Kentucky Region of the Christian
13 Church (Disciples of Christ) in conjunction with the Lexington Theological Seminary.

14

15 **Q. Have you previously testified before the Commission?**

16 **A.** Yes, I filed testimony in Kentucky Public Service Commission Case No. 2006-00045
17 In The Matter Of: Consideration of the Requirements of the Federal Energy Policy Act of
18 2005 Regarding Time-based Metering, Demand Response and Interconnection Service on
19 behalf of Metro Human Needs Alliance.

20

21 **Q. What is the purpose of your testimony?**

22 I offer this testimony to encourage the Commission to keep in mind the needs of low-
23 income residential customers as it conducts its investigation into the energy and

1 regulatory issues set forth by the General Assembly in Section 50 of House Bill 1,
2 enacted during the 2007 Extraordinary Session (“the 2007 Energy Act”).

3
4 **Q. How does the income level of Kentucky residents compare with residents of**
5 **other states?**

6 **A.** Recent information published by the Census Bureau shows that median income in
7 Kentucky is among the lowest in the nation. In 2006, Kentucky ranked forty-fifth (45th)
8 out of the fifty (50) states and District of Columbia in Median Household Income. See
9 Figure 1, Webster and Bishaw, U. S. Census Bureau, American Community Survey
10 Reports, ACS-08, *Income Earnings, and Poverty Data From the 2006 American*
11 *Community Survey*, U. S. Government Printing Office, Washington, DC, 2007 (“2006
12 American Community Survey”) attached to this testimony as Exhibit MC-1.

13
14 **Q. How does the poverty rate in Kentucky compare with poverty rates in other**
15 **states?**

16 **A.** In 2006, Kentucky had the eighth (8th) highest percentage of people in poverty with
17 seventeen percent (17%) of its people in poverty. See Figure 7 of the 2006 American
18 Community Survey, attached to this testimony as Exhibit MC-2.

19
20 **Q. What have you observed regarding the ability of low-income customers to pay**
21 **their utility bills?**

22 **A.** The cost of energy continues to spiral and so do the costs of basic needs. This is
23 especially true during the extreme heating and cooling months. Low-income households

1 do not have the benefit of requesting an increase in salaries or government benefits and
2 must find additional resources through emergency assistance agencies to maintain their
3 households. As agencies deplete energy assistance funds, low-income households
4 become threatened with losing necessary heat or air conditioning.

5

6 **Q. Are there sufficient resources to help low income utility customers who need**
7 **help in paying their utility bills?**

8 **A.** No. The ACM member agencies do not have enough funds to meet the needs of low-
9 income utility customers who qualify for assistance.

10

11 **Q. Why will it be important for the Commission to consider the needs of**
12 **Kentucky’s low-income population in this proceeding?**

13 **A.** For one reason, as the Commission has recognized, the issues under review in this
14 case will impact rates. As a service provider, I am concerned that one of the outcomes of
15 these proceedings may be increases in rates, which will cause more low-income residents
16 to have difficulty paying for utility service and will lead to more disconnections. We
17 currently do not have enough resources to meet the existing needs of low-income utility
18 customers. If rates increase, need would also increase.

19

20 **Q. What are your suggestions for the Commission relative to any effects that these**
21 **proceedings may have on rates?**

22 **A.** If the results of the Commission’s investigation indicate that rate increases are likely,
23 the Commission should consider measures that could minimize and ameliorate this

1 impact on low-income customers. For instance, the Commission might consider
2 expansion of existing assistance programs and recommendations to the LRC for
3 additional types of assistance programs.

4

5 **Q. Are there other issues in these proceedings that have potential to impact low**
6 **income customers?**

7 **A.** As ratepayers, all of the issues that the Commission will be considering have the
8 potential to impact low-income utility customers. In particular, as the Commission
9 examines the issue of demand management strategies it should bear in mind the
10 importance of low-income weatherization programs.

11

12 **Q. Why is low income weatherization important?**

13 **A.** Low-income customers face challenges in reducing or controlling their usage. Many
14 low-income customers live in housing that is old and not energy efficient, they cannot
15 afford new or energy efficient appliances and they do not have funds available to spend
16 on weatherization improvements to their housing. For these reasons, programs which
17 provide low cost or free weatherization activities can be very valuable in helping these
18 customers to reduce their energy usage.

19

20 **Q. Does this conclude your testimony?**

21 **A.** Yes.

22

Figure 1.
Median Household Income in the Past 12 Months With Margins of Error by State: 2006

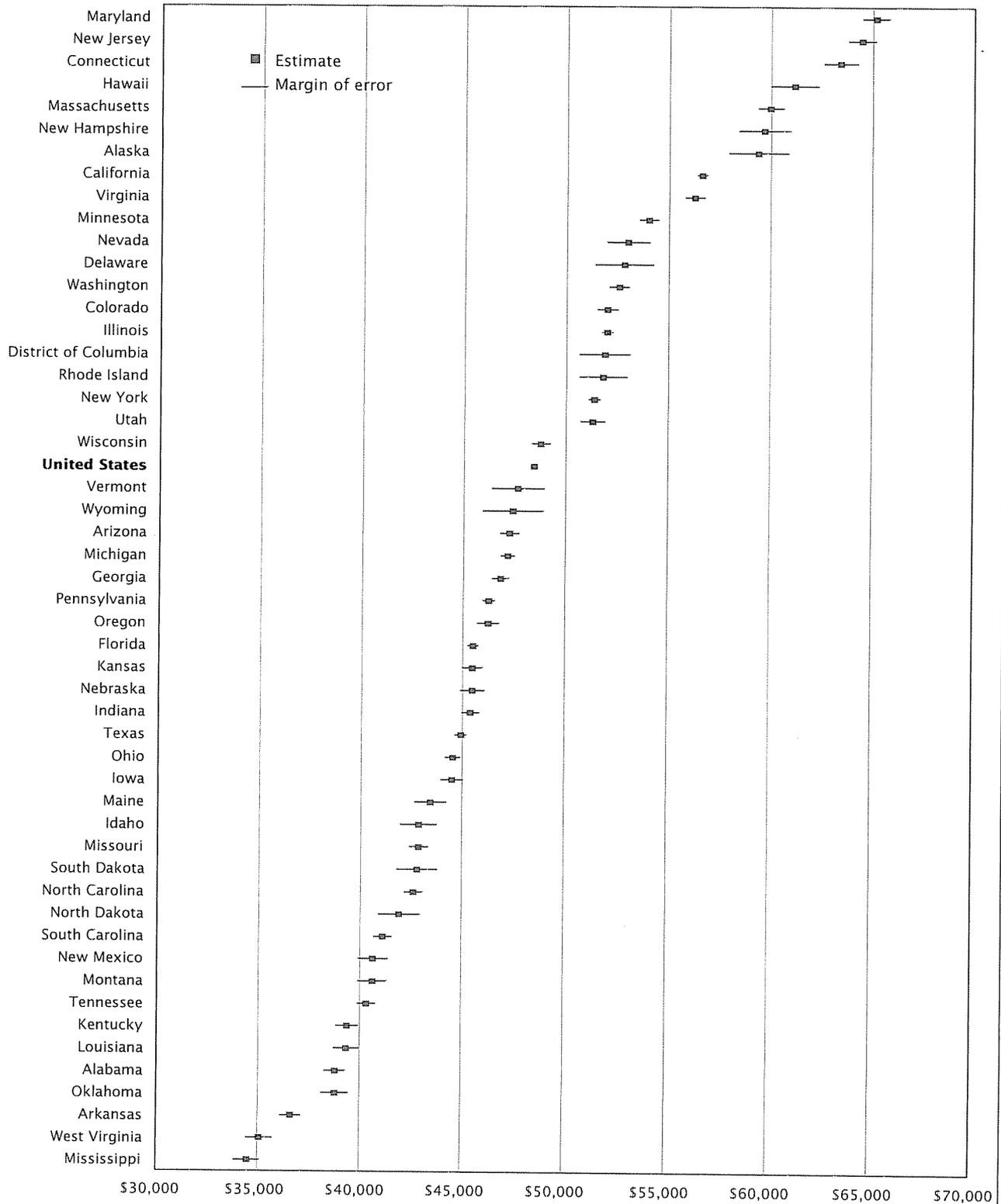
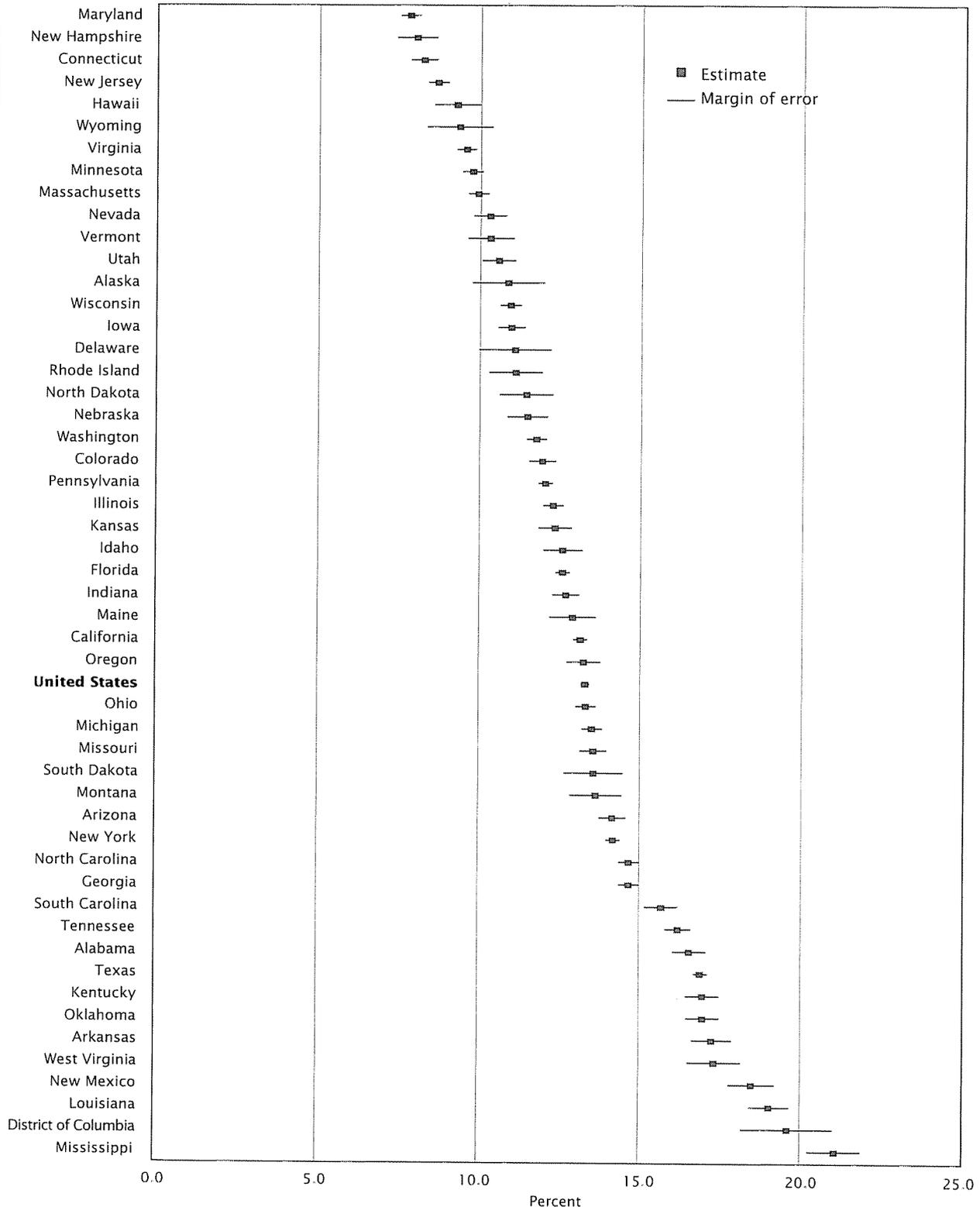


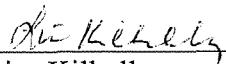
Figure 7.
Percentage of People in Poverty in the Past 12 Months With Margins of Error by State: 2006



Source: U.S. Census Bureau, 2006 American Community Survey.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Testimony of Marlon Cummings was served on the following parties on the 28 day of February, 2008 by United States mail, postage prepaid.



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